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T H E S H E E P A N D L A M B S I T U A T I O N

Summary

The supply of sheep and lambs for slaughter in the spring months, through June, is expected to be smaller than a year earlier. This reduction will be reflected in smaller marketings of both early lambs and grass fat yearlings.

Chiefly because of the shortage of green feed, the development of early lambs in most areas thus far this season has been below average. A much larger than usual number of early lambs in California will not reach slaughter weight and condition this spring and will be sold as feeders. In other areas, marketings of early lambs will be later than usual. The early lamb situation this year is in marked contrast to that of last year, when weather and feed conditions were favorable in all areas, and the early lamb crop was large and developed rapidly.

The delay in marketings of early lambs and grass fat yearlings this year will mean that a fairly large number of early lambs will be ready for market when late lambs also are being marketed in considerable volume.

Prices of fed lambs rose sharply in late March and early April, reaching the highest level thus far in the current fed lamb marketing season, which began last December. For the first week in April the average price of good and choice slaughter lambs at Chicago was about \$9.60 compared with about \$8.90 a month earlier and \$8.15 a year earlier.

Eastern shipments of early lambs from California and Arizona got under way in volume during late March. In early April the weekly average price of good grade spring lambs at Kansas City was about \$10.40 compared with \$8.95 in early April last year. Shipments of early lambs out of California in March included a large proportion of feeders going to Corn Belt and Colorado feed lots.

REVIEW OF RECENT DEVELOPMENTS

BACKGROUND.-The large lamb crop of 1938 was accompanied by a considerable increase over a year earlier in slaughter supplies of sheep and lambs in the grass lamb marketing season from May through November 1938. But from December through March 1938-39, sheep and lamb slaughter was smaller than in the corresponding months of 1937-38. This reduction in slaughter reflected the smaller number of lambs fed this season and the retention of a larger number of ewe lambs for breeding this year than last. Prices of new crop lambs in 1938 were considerably lower than a year earlier, chiefly because of weaker consumer demand and larger market supplies.

Prices of fed lambs advance in late March and early April

After having been relatively stable from December through early March, prices of fed woolled lambs rose in late March, and in early April reached the highest level thus far in the fed lamb marketing season (December-April). For the week ended April 8 the average price of good and choice slaughter lambs at Chicago was about \$9.60 compared with about \$8.90 in early March and about \$8.15 in early April last year. From December through the first half of March the weekly average at Chicago ranged from about \$8.70 to \$9.00.

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Prices of ewes advance since last summer

Prices of slaughter ewes have risen almost steadily since the late summer of 1938; and the rise during the fall and winter was somewhat greater than usual. In early April the weekly average price of good and choice slaughter ewes at Chicago was about \$5.50 per 100 pounds compared with about \$3.50 last August and about \$4.70 a year earlier. The higher prices of ewes in recent months than a year earlier probably reflects the relatively strong demand for breeding stock in many areas.

Sheep and lamb marketings increase in March

Inspected slaughter of sheep and lambs in March was about 112,000 head larger than in February. The total of 1,473,000 head was slightly larger than the inspected slaughter of March last year, and it was the largest for the month on record. March was the first month thus far in the current fed lamb marketing season (December-April) in which slaughter exceeded that of the corresponding month of 1937-38. For the 4 months, December through March 1938-39, inspected slaughter of sheep and lambs was about 3 percent smaller than in the corresponding period a year earlier.

The number of lambs remaining on feed in Colorado and Nebraska on April 1 was reported to be slightly larger than a year earlier. As the number on feed in this area on January 1 was smaller than a year earlier, the larger number on April 1 reflects the slower rate of marketings this year than last. By April, Colorado and Nebraska usually are the chief areas where fed lambs are still available in fairly large numbers, and during April and May marketings of fed lambs represent a decreasing proportion of the total marketings of sheep and lambs.

Early Lamb Situation - April 1

The development of the early lamb crop during March was below average for the country as a whole, and much below the exceptionally favorable development in March 1938. Mild temperature during most of March in all of the important early lambing States was favorable for the growth of early lambs, but the shortage of green feed in California and Texas and too many rainy and cloudy days in some of the other States more than offset the favorable effects of the mild temperatures.

In California, fairly general rains and cool weather during most of March improved the feed situation which was becoming critical. The condition of pastures and ranges in the early lambing areas of the State on April 1, however, was the second lowest for the month in the past 10 years. Feed conditions have been fairly good in areas that produce about 30 percent of the early California lambs, and from these areas about the usual proportion of the lambs will reach slaughter condition. In other areas of the State, feed continues short and probably not more than one-third of the lambs will reach slaughter condition.

Contracting of lambs for early delivery was on a large scale in California during March, with a broad demand for both fat and feeder lambs. Shipments out of the State in March were much the largest for the month on record and included a large proportion of feeder lambs going to Corn Belt and Colorado feed lots.

Early spring lambs in Arizona developed rapidly during March and shipments during the latter half of the month were relatively heavy.

Insufficient moisture and cool weather were unfavorable for the growth of feed in Texas during March. New feed has been short or lacking over much of the principal sheep area in that State. Ewes are generally in rather poor condition and early lambs have not developed very well. Some early lambs, however, were marketed in late March.

The development of early lambs in the Tennessee, Kentucky and Virginia area during March was somewhat below average and much below that of March of last year. Although the average temperature was fairly mild, there were several rather cold spells and too many wet, cloudy days for the best growth of lambs. Grain pastures were short and permanent pastures somewhat late. The percentage of ewes that had lambed by April 1 was considerably smaller than last year and a little less than average. The number of lambs dropped and saved per hundred ewes that had lambed by April 1 was below average in the entire area.

Weather in March was fairly favorable for lambs in Missouri and feed supplies were abundant. Pastures by April 1 had made a fair start. The percentage lamb crop reported is smaller than last year and below average.

In the Northwestern States the weather in the first half of March was too cold and wet for the best development of early lambs and for the growth of new grass. Warm weather during the last half of the month was rather favorable. In Idaho early lambs were reported as in unusually good condition and prospects for feed are excellent. In Washington, cold weather in early March caused rather heavy losses of lambs in some areas and held back the growth of feed. Early lambs in Oregon are in good condition and losses have been light.

OUTLOOK

As indicated in the March issue of the Sheep and Lamb Situation, slaughter supplies of sheep and lambs in the spring months, through June, are expected to be smaller than those of a year earlier. Marketings of both early spring lambs and grass-fat yearlings will be smaller than last year.

Delayed marketings of early lambs and yearlings

In the spring of 1938 conditions were favorable for the development of early lambs in all areas. But this spring weather and feed conditions have been decidedly unfavorable in California and Texas, and not so favorable as last spring in most other areas. A much larger than usual proportion of lambs in California will not reach slaughter weights this spring and will be sold as feeders. Marketings of early lambs from other areas also will be delayed somewhat this year. In Texas, the shortage of feed probably will cause marketings of early lambs and grass-fat yearlings from that State to be later than usual.

In view of the unfavorable feed and weather conditions, it is probable that the number of early lambs saved this year will be somewhat smaller than the number saved last year. But the smaller marketings in the next 2 months will reflect not only the reduction in the number saved but also the fact that the market movement of early lambs and of yearlings will be late this year.

This will mean that a relatively large number of early lambs will be marketed after June this year. The proportion of early California lambs that will be marketed from feed lots in June and July this year will be considerably larger than average. Consequently, the supply of early lambs for slaughter may be relatively large during the period, when late lambs are usually marketed in fairly large volume. If the late lamb crop should be about as large as a year earlier and develop well, total marketings of sheep and lambs in the late summer might be larger than a year earlier.

Demand for lamb stronger than a year earlier

Consumer demand for lamb, based on prices paid and quantities taken by consumers, has been slightly stronger thus far in 1939 than a year earlier. For the entire year 1939 the demand for lamb is expected to be stronger than in 1938, but any improvement from present levels which may occur probably will not be great.

THE WOOL SITUATION 1/

Some irregularity in domestic prices of wool was reported during the past month, but the wool situation in this country for the new marketing season is somewhat more favorable than a year earlier. Favorable factors include the smaller carry-over of wool into the new season, the extension of the Federal loan program to the 1939 clip, prospects for a much higher rate of mill consumption through the first half of 1939 than in 1938, and the recent firmness in wool prices in foreign markets.

declines in

Sales of spot wool at Boston were small in March, and prices on most graded lines ranged from 2 to 4 cents per pound, scoured basis, during the month. Mixed lots of early shorn 3/8 and 1/4 blood fleece wools were sold in late March for about 27 cents per pound, grease basis, which was about 2 cents per pound higher than prices of similar wools a year earlier.

The rate of mill consumption of apparel wool in the United States in February was slightly higher than in January and was almost twice that of February last year. With the possibility of further improvement in consumer demand and with stocks of wool manufactures in trade channels indicated to be relatively small, mill consumption of wool is likely to be fairly well maintained in the remainder of 1939. But the weekly rate of consumption for the year may average somewhat lower than that of the first quarter.

The spread between domestic and foreign prices in recent months has been sufficiently great to attract larger imports of wool into this country, and imports of apparel wool in the first 2 months of 1939 were considerably larger than a year earlier.

Barring unusual developments in foreign consuming countries in the next few months, it appears that the carry-over of wool into the new Southern Hemisphere selling season in September will be much smaller than a year earlier and probably will be about average. Supplies in most foreign importing countries, except Japan, are larger than a year earlier. But mill consumption of wool has increased in foreign countries in recent months.

1/ From April issue of the Demand and Price Situation. For more detailed discussion see April issue of the Wool Situation, copies of which may be obtained upon request from the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

Price per 100 pounds of sheep and lambs, by months,
January - March, 1937-39

Item	1937			1938			1939		
	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	Jan.	Feb.	Mar.
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Slaughter lambs, Chicago: :									
Good and choice <u>1/</u>	10.16	10.14	11.66	7.71	7.20	8.32	8.92	8.88	9.12
Medium and good <u>2/</u>	9.27	9.31	11.01	6.93	6.60	7.51	7.74	7.91	8.38
Slaughter ewes, Chicago: :									
Good and choice	5.24	5.52	6.62	3.94	3.89	4.76	4.27	4.64	5.02
Common and medium	3.85	4.26	5.08	3.08	2.94	3.46	2.97	3.40	3.69
Feeding lambs, Omaha: :									
Good and choice	8.76	8.81	10.08	7.49	6.92	7.69	8.23	8.24	8.21
Average price paid by packers: :									
Sheep and lambs	9.50	9.88	10.99	7.74	7.23	8.27	8.46	8.54	
Average price received by farmers: :									
Sheep	4.24	4.45	4.81	3.67	3.61	3.97	3.83	4.02	3.99
Lambs	7.92	8.12	8.83	7.15	6.63	7.35	7.33	7.37	7.43
Lamb, New York: :									
Wholesale carcass- <u>3/</u>									
Choice	16.02	16.78	20.28	17.62	15.90	18.33	18.98	17.86	17.87
Good	15.05	15.98	19.35	16.62	14.98	17.69	18.18	17.10	17.20
Medium	14.12	15.12	18.34	15.35	13.91	16.48	16.72	15.65	15.81
Pulled wool, Boston: <u>4/</u> :									
Choice AA	118.6	120.0	113.5	77.8	71.4	71.5	79.0	79.0	76.8
Choice White B	104.2	103.5	96.0	60.5	56.2	55.5	65.0	65.0	63.2
Sheep pelts, No. 1, Chicago, each <u>5/</u>	1.46	1.50	1.51	0.72	0.72	0.65	0.75	0.75	0.75

1/ Lots averaging within top half of good grade.

2/ Lots averaging within top half of medium grade.

3/ For choice and good, 38 pounds down; for medium, 38 pounds down in 1937, and all weights in 1938 and 1939.

4/ Cents per pound.

5/ Bureau of Labor Statistics.

Supplies of sheep and lambs, specified periods

Item	Unit	Year			Month			
		Average	1937	1938	Mar.	Mar.	Feb.	Mar.
		1924-33	1937	1938	average:	1938	1939	1939
					1924-33:			
Sheep and lambs:								
Number slaughtered								
under Federal	Thou-							
inspection 1/	sands	14,737	17,270	18,060	1,159	1,428	1,361	1,473
Receipts at seven								
markets 2/	do.	3/15,241	11,470	11,783	3/1,232	900	4/755	4/880

1/ Bureau of Animal Industry.

2/ Chicago, Kansas City, Omaha, Denver, St. Joseph, Sioux City, and St. Paul.

3/ Average 1929-33.

4/ Receipts for sale only - excludes through shipments not offered for sale and directs.

